

Federal Funding Accountability and Transparency Act of 2006 (FFATA)

Applies to:

All grants and cooperative agreements

Definition

Signed into law on September 26, 2006, the Federal Funding Accountability and Transparency Act ('FFATA', hereafter) requires information on federal awards [1] be made publically available via a single, searchable website (www.usaspending.gov). Both federal agencies and prime award recipients utilize the FFATA Subaward Reporting System (www.fsr.gov) in order to ensure data is reported accurately and timely on subawards and related executive compensation data.

Awards funded by the Recovery Act are not subject to FFATA reporting requirements. [2]

Required information

The following information is required by FFATA [3] :

- name of the entity receiving the award
- award amount
- information on the award, including transaction type, funding agency, the North American Industry Classification System code or Catalog of Federal Domestic Assistance (CFDA) number, program source, and award title
- location of the entity receiving the award and primary location of performance under the award, including city, State, congressional district, and country
- unique identifier of the entity receiving the award and the parent entity of the recipient, should the entity be owned by another entity
- names and total compensation of the five most highly compensated officers of the entity (prime- and sub-awardees)

Reporting Requirements for Subawards

As of October 1, 2010, federal agencies are required to report new awards and prime award recipients are required to report new [4] first-tier subawards (both mandatory and discretionary) greater than or equal to \$25,000. This applies to the following scenarios:

- Initial awards that meet or exceed \$25,000
- Subsequent award revisions that increase the initial award to \$25,000 or more
- Awards initially meeting or exceeding \$25,000 but are later reduced below \$25,000

Reporting Requirements for Executive Compensation

FFATA requires prime recipients report the names and total compensation of the five most highly compensated officers of a prime **or** subawardee entity if [5]

1. the entity in the preceding fiscal year received 80 percent or more of its annual gross revenues in Federal awards, **and**
2. its annual gross revenues meet or exceeded \$25,000,000 from Federal awards, **and**
3. the public does not have access to this information through periodic reports filed with the Securities Exchange Commission (SEC)

Reporting Timelines

For subawardees, reporting is due no later than the end of the month *following* the month in which the subaward was awarded*.

Example:

Prime award subawards between October 1st and October 31st, 2010; prime awardee must report subaward information by November 30, 2010.

For primary awardee executive compensation, reporting is due no later than the end of the month following the month the award or obligation was made.

Example:

Federal agency awards grant to prime awardee between October 1st and October 31, 2010; prime awardee must report executive compensation data, if applicable, by November 30, 2010.

For subawardee executive compensation, reporting is due no later than the end of the month following the month in which the subaward was awarded.

Example:

Prime award subawards between October 1st and October 31st, 2010; prime awardee must report subawardee's executive compensation data, if applicable, by November 30, 2010.

*For revised awards that increase award amount to or over \$25,000, use the *revised award date* to establish reporting timeline.

Reporting Exceptions

The following are except from FFATA reporting requirements [6]:

- Grants (new or existing as of October 1, 2010) funded by the Recovery Act
- Continuing or renewals of grants awarded in prior fiscal years with new obligations after October 1, 2010 [7]
- Transfers of title between Federal agencies of Federally owned property
- Federal inter-agency transfers of award funds
- Cooperative Research and Development Agreements (CRDAs), as defined under 15 U.S.C. 3710a
- Federal awards to individuals who apply for or receive Federal awards as natural persons (i.e., unrelated to any business or non-profit organization he or she may own or operate in his or her name)
- Federal awards to entities that had a gross income, from all sources, of less than \$300,000 in the entities' previous tax year
- If the required reporting would disclose classified information

Further Reading

"Guidance for Federal Funding Transparency of Service Grant and Cooperative Agreement", U.S. Fish and Wildlife Service memo, dated May 7, 2012. Online: <https://inside.fws.gov/media/FinancialAssistance/Documents/FFATA-1.pdf>.

Frequently Asked Questions

Do prime awardee procurement contracts greater than or equal to \$25,000 made under federal awards have to be reported?

No. According to the OMB memorandum cited in this article,

| "the term "subaward" does not include procurement of property and services needed to carry out the project or program."

However, the choice of terminology is irrelevant:

| "[A] subaward may be provided through any legal agreement, including an agreement that the prime recipient or a sub-recipient considers a contract."

The specific requirements outlined in the agreement must be carefully considered to determine if it is a subaward agreement or a procurement agreement.

So, what exactly is a 'sub-award'?

For grants, a "subaward" means a legal instrument to provide support for the performance of any portion of the substantive project or program for which you received this award and that:

- A. the prime recipient awards to an eligible sub-recipient; or*
- B. sub-recipient at one tier awards to a sub-recipient at the next lower tier.*

Additionally, the OMB memorandum does mention the possibility of expanding future reporting requirements to include, among other things, procurement services:

To facilitate transparency of Federal funds awarded through grants, OMB will consider future additional guidance related to the collection of subaward data. These may include capturing information about: procurements under grants, grant awardees' costs other than subawards and procurements, and subawards under other types of Federal financial assistance awards.

[1] Federal contracts and federal financial assistance awards (grants and cooperative agreements).

[2] United States. Office of Management and Budget, Memorandum For Senior Accountable Officials. Guidance for Federal Spending Transparency: Subaward and Executive Compensation Data Reporting Requirements for FFATA Implementation, Appendix A, p.4. 27 August 2010. https://www.fsrcs.gov/documents/OMB_Guidance_on_FFATA_Subaward_and_Executive_Compensation_Reporting_08272010.pdf

[3] Ibid, p.2.

[4] "New Federal grants includes grants with a new Federal Award Identification Number (FAIN) as of October 1, 2010, and does not include continuing or renewals of grants awarded in prior fiscal years with new obligations beginning October 1, 2010." Ibid, p.6.

[5] Ibid, p.7.

[6] Ibid, p.5.

[7] Ibid, p.6.